

REVISED MOTION BY SUPERVISOR MICHAEL D. ANTONOVICH

JANUARY 5, 2016

UTILITY REGULATORY REFORM

With more than 1,200 tons of the greenhouse released each day, the leak at the Aliso Canyon Storage Facility may account for a 25% rise in statewide methane emissions. It has also resulted in a health, economic and school crisis for the community of Porter Ranch since it began on Oct. 23 and forced the relocation of thousands of families to temporary housing over the Thanksgiving, Hanukkah, Christmas and New Year's holidays.

Recent reports indicate that the Southern California Gas Company was aware of corroding pipes and rapidly failing infrastructure at its Aliso Canyon storage facility and reported to state regulatory agencies in November 2014 that without funds to repair old wells, there could be major leakage problems and potential hazards.

While one state official said it doesn't appear that SoCalGas violated any regulations, the filing indicates the company acknowledged its inspection shortcomings and shows that SoCalGas primarily reacted to leaks once they were detected but didn't actively search for corroded pipes on a regular basis.

Half of the company's 229 storage wells were more than 57 years old as of July 2014, the document said, and 52 wells were more than 70 years old.

Robert Schaaf, president of RPS International, a Huntington Beach-based petroleum engineering consulting firm indicted that wells start to break down after 40 years.

In an effort to get approval for a rate hike, the Gas Company filed reports with the California Public Utilities Commission insisting the company needed funds for inspection, maintenance and repairs. The Gas Co. wrote that without a new inspection plan, "...customers could experience major failures and service interruptions from potential hazards that currently remain undetected."

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This situation is a result of a massive failure on the part of all involved parties and ~~exposes the corruption and incompetence~~ calls into question the efficacy of the State's regulatory system. The Gas Company's failure to maintain its facility and the state regulatory agencies' failure to take action in response to the Gas Co.'s warning of heightened risks under its current inspection process was a complete breakdown.

The State of California must act now to ~~clean house and~~ hold all responsible parties accountable for their role in this crisis. The state legislature must fully investigate and adopt immediate reforms to update its antiquated regulatory processes and modernize inspection technology. In addition, an independent panel of experts is needed to oversee the inspection and repair of remaining wells across the region including areas near Santa Barbara, LAX and Valencia which house similar facilities."

I, THEREFORE, MOVE that the Board of Supervisors send a five-signature letter requesting the Governor and legislative leadership to fully investigate and adopt immediate reforms to update its antiquated regulatory processes and modernize inspection technology and establish an independent panel of experts to oversee the inspection and repair of remaining wells across the region and communities with similar facilities.

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